

Item C-1 – Williston Basin Interstate Pipeline Company and Rockies Update



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Williston Basin Interstate Grasslands Pipeline Project



The Grasslands Pipeline Project will:

- Provide Williston Basin shippers with a new northern outlet for Powder River Basin Gas
- Enhance access to Williston Basin's storage facilities
- Enhance access from storage to downstream transportation outlets

Williston Basin Interstate Grasslands Pipeline Project



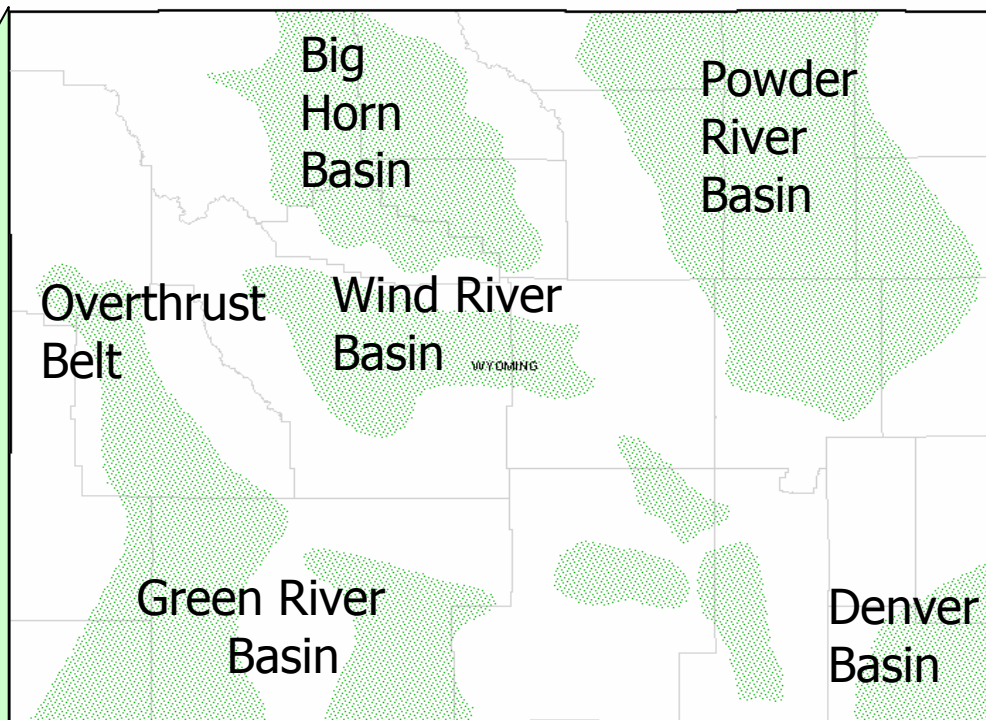
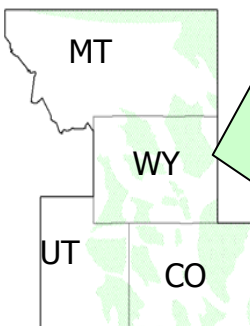
- Grassland Pipeline Project facilities include:
 - 253 miles of pipeline in WY, MT, and ND
 - 5,380 horsepower of compression
- Facilities have a design capacity of 80,000 Dth per day.
- Service is projected to commence on November 1, 2003



26% Of Total US Gas Reserves Are Located in the Rocky Mountain Region.

Rocky Mountains

Total Resources 209 Tcf
Conventional 29 Tcf
Non-Conventional 180 Tcf
(Coal Bed Methane 45 Tcf)



Wyoming

Southwestern Wyoming & Powder River Basin 101 Tcf
Powder River Basin – Coal Bed Methane 14.3 Tcf

Sources: Wyoming Energy Commission's Website; Mr. Chris Schenk of USGS; USGS' Assessment of Oil and Gas Resources in Priority Basins in the US; and Power Map



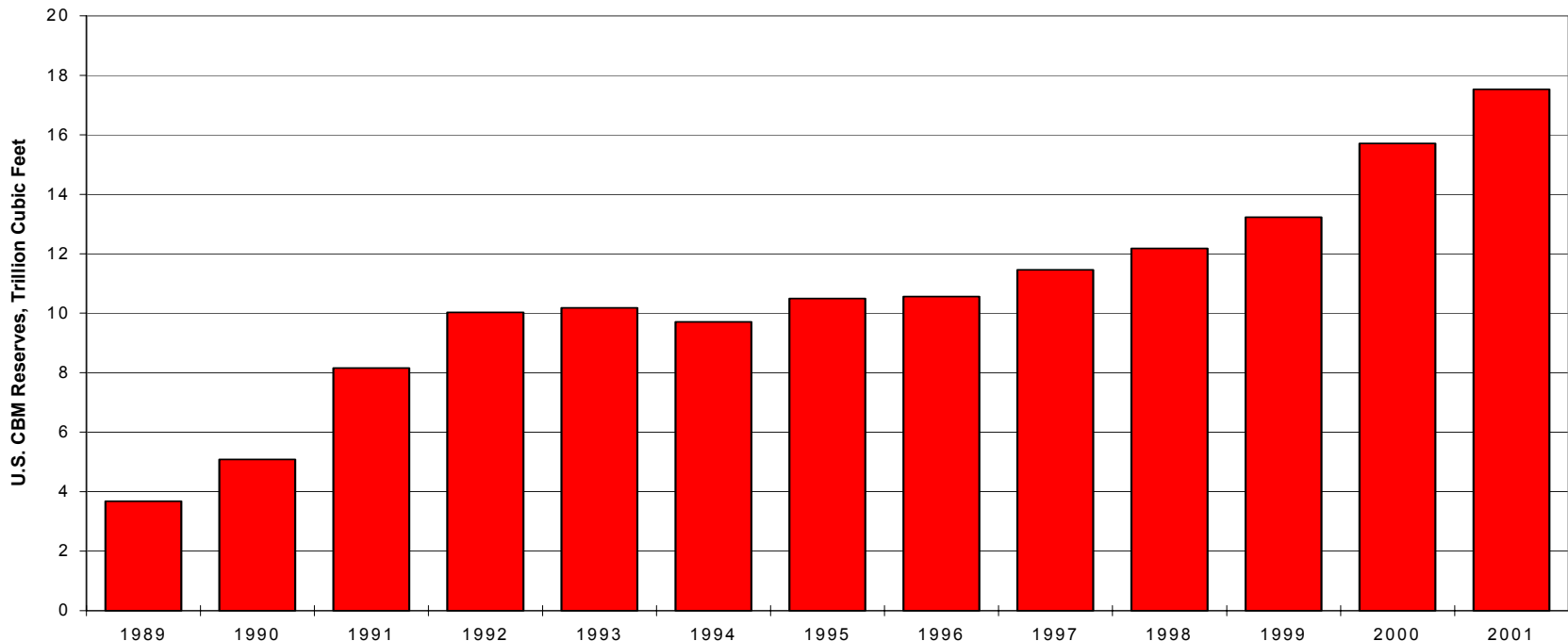
Proved Gas Reserves

- Wyoming and Colorado comprised 10% and 7%, respectively, of EIA's estimated total proved US gas reserves of 183.5 Tcf as of 12/31/01.
- Wyoming had the largest increase in proved reserves, by state or federal region, from 2000 to 2001 at 2.2 Tcf. (Total US reserves increased by 6 Tcf.)



Coal Bed Methane

- Wyoming, Colorado, New Mexico, Utah, and Alabama, have 90% of proved coalbed methane reserves. Estimates of proved coalbed methane reserves increased 49% in Wyoming from 2000 to 2001.**



Source: EIA's U.S. Crude Oil, Natural Gas, and Natural Gas Liquids Reserves 2001 Annual Report, Figure 21

Productive Capacity vs. Pipeline Capacity



- EIA shows that the Rockies could produce up to 6 Bcf per day through 2003.
- Wyoming Energy Commission shows that the Rockies could produce up to almost 8.0 Bcf per day by 2005 and 11.0 Bcf per day by 2010.
- Both of these totals are greater than the current pipeline capacity of the region.

Commission Action on Pipeline Projects in the Rockies



- Since mid-1999, the Commission has approved 16 projects to increase pipeline capacity to move gas out of the Rockies
 - 3.8 Bcf per day of capacity
 - 1,754 miles of pipeline
 - 394,689 horsepower of compression

Pending Cases to Move Gas in the Rockies



- There are 2 pending cases at the Commission to move Rockies gas
 - Approximately 573 MMcf per day of capacity
 - 414 miles of pipeline
 - About 33,400 horsepower of compression

Planned Projects To Move Gas in the Rockies



- Staff is aware of 7 projects to move Rockies' gas that would have a potential capacity of 2.4 Bcf per day.
- In addition, there is a project in planning that would reverse flow on a Rockies' pipeline, allowing for more flexibility in moving Rockies' gas